

**Report of the Trustees and**  
**Consolidated Financial Statements**  
**For The Year Ended 31 March 2021**  
**for**  
**Warren House Group At Dartington**

Bromhead  
Chartered Accountants  
Statutory Auditors  
Harscombe House  
1 Darklake View  
Plymouth  
Devon  
PL6 7TL

## **Warren House Group At Dartlington**

### **Report of the Trustees** **For The Year Ended 31 March 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

#### **Message from Ruth Dobson, Chair of Trustees**

For many charity trustees across the UK, this year has probably been one of the most precarious, intense and fast-evolving years in memory. It has been a year that has demanded a clear and dedicated focus on social purpose, at a time never more needed, balanced against the welfare of staff and financial sustainability of the organisation. As you'll read in this annual report, despite all the challenges and uncertainty faced over the year the charity has made a huge contribution in supporting organisations to use evidence to help mitigate the unequal impact of the pandemic on children and young people and 'build back better'.

The way that the Charity has responded over the year is a testament to the agility and spirit of our CEO, the whole Senior Management Team and all our dedicated staff. I would like to put on record my thanks for their commitment and exceptional work during these unprecedented times.

This gratitude is also extended to the whole of the Board of Trustees, who have generously given their time, experience and commitment in supporting the Executive and team over the year: carefully assessing and holding risk and regularly taking stock to reflect on our impact and iteratively refining our strategies and approach over the year.

Of course, the work is only just beginning in how we collectively move forwards from the pandemic. The effects will be unequally felt for many years to come. Yet it is our strongly held view that a rigorous and innovative approach to the generation and use of evidence will be crucial in supporting children, young people and families to thrive. I am never more confident in the charity's ability and crucial role in advancing this agenda.

#### **Message from Dr Tim Hobbs, CEO of the charity**

2020/21 was dominated by the unfolding COVID-19 pandemic. It was a year of great uncertainty, fast-evolving legislation and regulations as well as rapidly shifting priorities across all sectors. The pandemic continues to place an enormous strain on young people, families and communities. In turn, this strain has been keenly felt by those with whom we work - statutory and third-sector services that support young people and families, and local and national government. As a charity dedicated to using evidence to improve outcomes for children and young people, we took stock at the start of the year - as the pandemic really took hold - and identified three inter-related priorities: clarifying our best role in mitigating the unequal impact of the pandemic on child outcomes; supporting our staff, their safety and well-being, and protecting the viability and sustainability of the organisation so that it can continue to play a valued role during the pandemic and beyond. We sought to hold these three priorities in balance, prioritising the first two (whilst working to minimise the potential risks to our organisational and financial stability).

All things considered, and despite the enormous challenges and fast-evolving context, our charity performed extremely well in balancing these three priorities. We undertook a wide range of research and design activities in service of those working with children and young people, making strong contributions to policy and practice during the pandemic, as well as learning more as a team about where we make the greatest difference. We supported our staff their well-being - deciding not to place any of the team on furlough nor deliberately contract in size - while remaining mindful at all times of the need to balance the charity's costs against income. We kept working hard to play our best role during the crisis and ensure that evidence and design are crucial in efforts to 'build back better'.

Crucially - and due to our continued innovations in evidence, our strong partnerships and investment in our team - our pipeline of work for the coming years is stronger than any time over the last decade, and we are extremely well-placed to support evidence-informed approaches to equitably improve outcomes for children as we begin to 'build back better'.

Like our Chair, I too am indebted to the commitment, diligence, hard work and spirit that our exceptional and talented team has demonstrated, and deeply grateful to the close, supportive and strategic support that our Board of Trustees has provided.

I end this intense year with a renewed sense of hope and optimism for what we can achieve as an organisation.

## Warren House Group At Dartington

### Report of the Trustees For The Year Ended 31 March 2021

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The Warren House Group at Dartington (WHG) is the registered name of the charity. It operates a trading subsidiary 'The Dartington Service Design Lab' a company [No. 12613600] limited by a single share which the charity wholly owns; it also shelters the Centre for Social Policy.

We are a research and design charity dedicated to improving outcomes for children and young people. We innovate to ensure that research and evidence plays a valued and impactful role in the design and implementation of services for children and families.

We work in close partnership with those commissioning, designing or delivering services for children. Our work is grounded in data and evidence, as well as a deep understanding of public systems and the diverse needs and community contexts they serve. We bring together expertise in social research, service design, systems thinking and data science.

Our activities include children's services strategy development, service design, rapid cycle testing, system reform, evidence reviews and data analytics and visualisation - all of which you can read about here: [www.dartington.org.uk](http://www.dartington.org.uk)

##### **Significant activities**

The evolving nature of the pandemic demanded a flexible approach to our work and activities. As an organisation that has been working in a flexible and largely remote and distributed way for some years, adjusting to full-time working from home was a relatively easy and smooth adjustment. We are extremely grateful to our office landlords – Buckfast Abbey - for pausing our rental payments whilst we've not been using our space.

Over the course of the year, we worked with over 46 clients on a range of activities to help them generate or use evidence to inform their work and have a greater impact. At the start of the year, we took stock with our partners and collaborators to readjust, where necessary, our planned and contracted activities to ensure that our work was playing the most valuable role during extraordinary times.

Activities included work with service delivery organisations to help drive up quality of delivery and impact of their work. For example, we concluded an innovative process of Rapid-cycle Design and Testing with a London-based youth mentoring charity (Chance UK), and worked closely throughout the year with The Children's Society to take a 'systems thinking' approach to their work seeking to disrupt exploitation and sexual abuse of children. This work has helped to push our innovations in method and approach.

We worked with a number of place-based partnerships to design, refine and support implementation of ambitious strategies to improve outcomes. For example, we worked closely with Save the Children in the Eastside of Belfast to co-design with the local community and system leadership an ambitious strategy to improve children's early learning. We also worked with two National Lottery Community Fund initiatives – in Nottingham and Southend-on-Sea – to support refreshes of £40m+ investments to improve early childhood development outcomes.

We've continued to support a series of 'Early Action Systems Change' initiatives in both Renfrewshire and South Lanarkshire, focused on improving children's mental health, relationships, behaviour and well-being, working closely in partnership with local authority, health systems and local community partnerships.

We also worked closely with a number of English 'what works' centres. This included leading a substantial learning partnership for the Youth Endowment Fund's £6.5m COVID-19 Grants Round, supporting 129 grantees to learn from their work to tackle youth violence over the pandemic. We also undertook user research for the Early Intervention Foundation to undertake use around their flagship evidence toolkit, the EIF Guidebook.

In addition to these funded activities, we also sought to fulfil our charitable objectives by supporting efforts to respond to the pandemic. This included, pro bono activities with the digital collaborative Catalyst, working as a learning partner to support rapid adaptation of service delivery through digital means. Our Chief Executive was invited to contribute to the 'Rebuilding a Resilient Britain' team, supporting a process of prioritisation of evidence generation, convened by the Government Office for Science and chaired by Chief Scientific Advisor, Sir Patrick Vallance.

This set of activities represents just a snap-shot of the applied work we've undertaken, much of which we are building upon into the coming year (along with a wide range of exciting new initiatives).

## Warren House Group At Dartington

### Report of the Trustees For The Year Ended 31 March 2021

The rapidly evolving context, and clearly unequal impacts of the pandemic, also led us to embark on a process of organisational strategic reflection and development. In addition to our applied work, over the course of the year we also took time to advance and publish our ideas on innovative and progressive approaches to the generation and use of evidence, and what our best role is – alongside others – in advancing these. We are grateful to some core funding from the Paul Hamlyn Foundation that supported this. This led to a refreshed strategic direction and focus, being launched in the early part of 2021/22, alongside a more flexible organisational structure to support this (including the establishment of a social enterprise subsidiary providing greater flexibility in how we pursue our social purpose objectives).

An integral part of this forthcoming strategy refresh is how we will proactively work to become an anti-racist research and design organisation. Over the course of 2020/21, our Chief Executive chaired an internal anti-racism working group to reflect and identify how we and others perpetuate racism in social research, design and social policy, and what we can do to tackle this. This resulted in a series of actions and commitments that we are publishing early in 2021/22, that we will be reporting progress against in next year's annual report.

#### **The Centre for Social Policy**

In addition to the Lab element of the charity - which represents the vast majority of activity - the charity has since 1995 also run the Centre for Social Policy (CSP). This was established to provide a resource for people who have left posts connected to established organisations or who work independently. It is a facility to be used as the CSP members (Fellows) wish but it provides them with a link to a multi-disciplinary peer group and enables them to keep up to date with current issues. The current officers are: John Diamond (Chair), Patrick Diamond (WHG Trustee) Roger Bullock (Treasurer), and Brian Warren (Secretary).

Currently the Centre comprises 47 fellows representing eleven disciplines. They contribute to the Lab's activities by, for example, joining project advisory groups, serving on the charity's Ethical Committee, offering advice to researchers and organising seminars in which Lab staff participate. These contributions were sustained over 2020/21 despite the constraints imposed by COVID-19. More details can be found on its website [www.centreforsocialpolicy.org.uk](http://www.centreforsocialpolicy.org.uk).

During 2020/21, the CSP held two virtual seminars and summaries of these and emerging papers are posted on the website. Following one of them, the centre worked with the Lab to prepare an online resource discussion on helping children whose parents separate. It also collaborated with the Mulberry Bush Child Care History Network in organising a national virtual seminar on the Care of Young Offenders and preparing a report for publication.

During the year, the CSP Ethical Committee, which comprises five fellows and co-opted consultants as needed, gave independent ethical approval to six Lab research proposals and for one collaborative project as follows: YEF Becoming A Man, Midlothian Journey, Your Voice, Your Way, A Better Start, YEF Respect and the Prevention Research Partnership, and negotiated on the Lab's behalf with the Ethical Committees of Plymouth and Exeter Universities.

The Centre has its own constitution, and its activities are overseen by the charity's Board. It remains largely self-funding. A full programme of activities will be resumed as the pandemic restrictions ease, as will discussions with the Board on the wider contributions that the Centre might make to the Dartington Service Design Lab and the wider charity in the future.

#### **Public benefit**

The trustees have complied with their duty, as set out in the Charities Act 2011, to refer to the public benefit guidance published by the Charity Commission.

Our main beneficiaries are children, primarily in Europe and North America. The overview above explains the work which the charity does. These all aim to improve outcomes for children, with no restrictions on who can benefit.

## Warren House Group At Dartington

### Report of the Trustees For The Year Ended 31 March 2021

#### **FINANCIAL REVIEW**

##### **Financial position**

##### Message from Treasurer – Joel Glover

I assumed my role in October of 2020, after my predecessor Vagn Hansen stood down after nine years of sterling service. I have benefited greatly from Vagn's kindness and guidance, and his commitment and experience as a trustee and the charity's Honorary Treasurer set a high standard to follow. On behalf of the Board, I want to extend our thanks to him, and am proud to be following in his footsteps.

The circumstances of the novel coronavirus pandemic created volatile and dynamic fiscal challenges in 2020/21, and gave rise to unprecedented challenges for the Charity, the Lab, and our colleagues. Strong work in the previous period had meant that we started the year with a strong pipeline of work, and with this in hand we were able to take a calculated risk to maintain a sharp focus on income generation and not proceed with the sort of cost cutting measures necessitated for many of our peers in the sector. This included a decision to not make use of furlough or redundancy, and indeed we took on two new staff in October 2020. As is common, some projects were delayed and re-phased throughout the year, though this was more frequent this year because of the pandemic. However, only a small number of projects were cancelled before they started.

The Finance and Operations Subcommittee of the Board monitored the financial and risk profile throughout the year, at key periods on a weekly basis, ensuring a steady financial footing and acceptable level of financial risk.

It remains the Board's intention that financial reserves steadily be built. This is particularly important with the COVID-19 related macro-economic uncertainties and strains on funders. However, the Board is fully supportive of the charity's nimbleness and perseverance in not only continuing to undertake its' core activities and commitments, but also refocusing some of its resources to help tackle the challenges that lay ahead for children, families and the services that support them.

The Lab continues to secure several large and long-term contracts as well as develop long-term relations with both new and existing partners.

The charity has for a number of years offered its staff a pension arrangement through the University Superannuation Scheme (USS). The latest actuarial evaluation of the USS has revealed a continuing deficit that the charity must recognise its share of. This is reflected in a provision in the 2020/21 accounts of £42,129. Although it reduces the free reserves of the charity, in cash terms, the deficit is paid over 7 years as an annual cash contribution to the USS.

Following a strategic review undertaken by the Board initiated over 9 years ago, this year saw the creation of a social enterprise trading subsidiary which performs certain functions that have a more commercial orientation and are not ideally suited to the constraints of being a charity.

The charity retains an office base at Buckfast Abbey with the team working remotely across the country. These more flexible working practices continue to pay dividends, especially given the unfolding COVID-19 pandemic which during lock-down and social distancing demand home-working and more flexible working practices.

Despite the deep social and economic challenges that lie ahead, all the indications are that the work of the Lab has never been more needed. The work of the senior leadership team in engaging with peers, funders and customers throughout the pandemic has allowed us to deliver strongly whilst also gaining insights into future opportunities to enhance the impact of those working with children and families. This is reinforced by the excellent work of colleagues throughout the Lab who delivered high quality work in challenging circumstances. Overall, the charity is well placed to deliver its charitable objectives whilst also meeting the financial goals the Trustees have set, will continue to consolidate its position in the sector and achieve a positive impact for children and families.

## Warren House Group At Dartington

### Report of the Trustees For The Year Ended 31 March 2021

#### **FINANCIAL REVIEW**

##### **Investment policy and objectives**

Unrestricted, undesignated funds are held as cash in the bank and where appropriate money is placed on timed deposit to attract interest. Due to the need to manage large fluctuations in cash flow, no money is currently placed in any other investment vehicle. This is kept under regular review.

The Trustees have the power to invest the charity's money not immediately required, for its object in any investments, securities or property. Investment powers can be delegated to a financial expert provided that the financial expert is:

- An individual who is an authorised person within the meaning of the Financial Services and Markets Act 2000; or
- A company or firm of repute which is an authorised or exempt person within the meaning of that Act except persons exempt solely by virtue of Article 44 and/or Article 45 of the Financial Services and Markets Act 2000
- (exemption) order 2001.

##### **Reserves policy**

In 2021, the Trustees reviewed its reserves policy and concluded that it needs to have a minimum of 6 months of the annual forecast expenditure in unrestricted reserve with a target level of 9 months up to a maximum of 15 months.

At 31 March 2021 the level of unrestricted funds, not already designated, amounted to £1,021,089 (2020: £724,463). There were £151,933 restricted reserves (those with restrictions placed on their use by the donors) at year end (2020: £250,740).

The reserve levels held at the year end, would currently cover more than the minimum reserve levels required of £665,000 based upon a calculation of committed expenditure in the event of decision to close down. However, the reserves held are within the scope of the policy being up to the level of 9 months and up to a maximum of 15 months.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing document**

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The governing documents of the charitable company are its Memorandum and Articles of Association. The Directors who are Trustees of the charity in office during the year are listed separately in the Legal and Administrative Information section. In mid 2019 an independent review of the governance of the charity was undertaken and the outcomes reflected well on the organisation. Of the minor efficiency and best practice recommendations presented to the Board, all have now been adopted.

The Trustees meet four times a year with additional meetings being called as necessary with three sub committees delegated to support the charity at a more operational level – these include Finance and Operations, People and Strategy. The day-to-day management of the charity is the responsibility of the CEO.

##### **Recruitment and appointment of new trustees**

One of our longer serving trustees retired in October 2020, two trustees retired in January 2021, and a further one in May 2021; in some cases, these resignations were related to the impact of the pandemic. The next retirement follows in late 2022.

Our new Trustees were recruited via a specialist agency based around a skills audit of existing Trustees and a future needs analysis. In late 2019 eight candidates were shortlisted and interviewed by a panel of existing Trustees and four new Trustees appointed. All were appointed to serve initially for 3 years in accordance with the memorandum and articles of the company. The Board are currently developing a plan to recruit a further cohort of new trustees in later 21.

##### **Induction and training of new trustees**

All Trustees have received an enhanced DBS check as well as an extensive, rigorous and on-going induction and training process covering such matters as awareness of a Trustee's responsibility, the governing document, administrative procedures, the history and philosophical approach of the charity.

All Trustees have received copies of the previous year's Annual Return report, accounts and a copy of the Charity Commission leaflet "The Essential Trustee: What you need to know".

**Warren House Group At Darlington**

**Report of the Trustees**  
**For The Year Ended 31 March 2021**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Pay and Remuneration Policy**

In 2020, after consultation the charity took the opportunity to re-appoint all of its staff on to a more simplified banding structure with harmonised job descriptions and clearer paths for progression. This was universally welcomed.

All staff undertake a performance review and development process through a minimum of a mid-year, and end of year appraisal by their line manager. Performance against an individual's objectives are now graded as:

**Exceeded Objectives** Most objectives were met at the level of exceeding expectations, and the overall contribution to the Lab was exceptional

**Fully Achieved Objectives** All objectives were met or partially met, and some may have been exceeded

**Partially Achieved Objectives** Most objectives were met or partially met

**Did Not Achieve Objectives** Most or all objectives were not met

A collective scheme is employed whereby all staff (except the SMT) (with certain exceptions such as under performance, under probation or resignation) are awarded a discretionary but equal bonus (subject to the normal deductions of PAYE Tax and NI, but is not considered pensionable), wholly dependent on the Lab's performance against strategic objectives (including financial) set by the Board.

The SMT's and CEO's bonus and remuneration remain at the discretion of the Board of Trustees.

No bonus' were awarded in 2020/21.

**Risk management**

The Trustees have considered the risks to which the charity is exposed and have established systems for mitigating those risks. External risks have been minimised by the adoption of a new strategic plan, reviewed on quarterly basis, which includes a strategy for securing funds from a wide range of sources. Internal risks are minimised by implementing procedures for authorising transactions, projects etc, and to ensure consistent quality of delivery for all operational aspects of the charity.

The Trustees have a risk-management monitoring regime which comprises:

- A quarterly review of the principal activities, including risks and uncertainties that the Lab face;
- An on-going review of policies, systems and processes by the Senior Management Team of the Lab to mitigate those risks that are identified;
- The implementation of procedures to designed to minimise or manage any potential negative impact on the charity should identified risks materialise.

The principal risk of financial sustainability for the charity is very closely monitored and reviewed by the Honorary Treasurer monthly, and quarterly by all Trustees. Attention also continues to focus on non-financial risks arising from safeguarding, GDPR, health and safety, reputation, security, confidentiality, welfare, morale etc., which are supported by robust policies and procedures as well as regular staff awareness updates. The unfolding COVID-19 pandemic is demanding close attention to a wide range of risks.

The Charity have had due regard to principals of recommended practices as set out by the 'Charity Governance Code' and have applied these wherever practicable and in decision making.

## Warren House Group At Dartington

### Report of the Trustees For The Year Ended 31 March 2021

#### **Impact of Covid-19 and our response to this**

The unfolding COVID-19 pandemic is having wide-ranging and serious impacts on the social and economic landscape. That said, the charity is well-placed to respond to this. The pandemic is accentuating existing needs and inequalities for children and families, and creating new needs and challenges faced by children, young people, families and those organisations and public services that support them. Robust, contextualised research and evidence is never more needed, and the Lab has an important role to play going forwards.

The pandemic gained momentum during early 2020/21, including the first of the national lockdowns and a series of social distancing restrictions being put in place. Given existing flexible and remote working practices, the charity was able to quickly adapt to lockdowns and social distancing and make any further required provisions to protect the physical and mental health of staff.

Our focus during 2020/21 was to ensure that we were fulfilling our charitable objectives: supporting those working with children and young people to have the greatest positive impact possible. The pandemic demanded that we take stock of existing work, flexing and adapting activities so that they were as valuable and impactful as possible.

During the first six months of the year, there was a great deal of rapid and emergency government and philanthropic funding being deployed to support children and families, and organisations supporting them. We did not seek resource intended for these 'front line' delivery charities, and instead worked closely with philanthropic funders and 'what works' centres to play a supportive role, helping organisations use data and evidence to learn and adapt.

We anticipated a slower than usual profile of income generation in the second half of the year, as funders and commissioners reduced emergency responses and started to design new commissioning and funding sources focused on 'building back better'. This came to fruition, as did a lag in deployment of resources and funding opportunities. As such, we cautiously reduced our own non-essential expenditure and left some budgeted posts vacant until such time as financial risk was reduced. This cautious approach stood us in good stead, minimising financial impact.

The economic consequences of the pandemic continue to have a serious impact on financial markets, the investments made by all pension providers, and thus the likely liabilities and provisions required by our own USS pension scheme. Our reserves are sufficient to cover additional liabilities (within reason) if required.

Given the poor economic outlook for 2021/22 and beyond, the charity has worked hard to develop strategic relationships and pursue a series of long-term, multi-year initiatives to provide a steady ballast of income. These efforts appear to be paying off, as a pipeline of work, spread over multiple years, is falling into place for 2021/22 and beyond. It is our intention to continue to build and grow these strategic, longer-term partnerships to provide a reasonably steady base from which to innovate as the impacts of the pandemic continue to be felt for years to come.



**Warren House Group At Dartington**

**Report of the Trustees**  
**For The Year Ended 31 March 2021**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Registered Company number**

04610839 (England and Wales)

**Registered Charity number**

1099202

**Registered office**

Lower Ground Floor

Higher Mills

Buckfast Abbey

Buckfastleigh

Devon

TQ11 0EE

**Trustees**

J J H Drew CBE (Senior Independent Director)

V N Hansen (Honorary Treasurer until retirement October 2021)

D Cohen (Retired January 2021)

S Di Vito (Retired January 2021)

P Diamond

R M Dobson (Chair of Trustees)

D C Archibald

J R Glover (Honorary Treasurer from October 2020)

J Belanger

B G Oxley (Retired May 2021)

D Burke

**Auditors**

Bromhead

Chartered Accountants

Statutory Auditors

Harscombe House

1 Darklake View

Plymouth

Devon

PL6 7TL

**Solicitors**

Pinsent Masons LLP

55 Colmore Row

Birmingham

B3 2FG

Stone King LLP

Somerset House

37 Temple St

Birmingham

B2 5DP

**Warren House Group At Dartington**

**Report of the Trustees**  
**For The Year Ended 31 March 2021**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also the directors of Warren House Group At Dartington for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**AUDITORS**

The auditors, Bromhead, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 20/10/2021 and signed on its behalf by:

  
.....  
R M Dobson - Trustee

**Report of the Independent Auditors to the Members of  
Warren House Group At Dartington**

**Opinion**

We have audited the financial statements of Warren House Group At Dartington (the 'charitable company') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other Information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

**Report of the Independent Auditors to the Members of**  
**Warren House Group At Dartington**

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Our responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the laws and regulations applicable to the company through discussions with management, and those charged with governance. These laws and regulations which were considered to have a material effect on the financial statements or operations of the company were identified including following; Companies Act 2006, Employment Law, Health and Safety Act, Data Protection Act & Charities Act 2011.

We obtained an understanding of the entity's policies and procedures for assessing fraud risk and identifying actual or alleged fraud by making enquiries with managements and those charged with governance and reviewing supporting correspondence with relevant authorities and advisors.

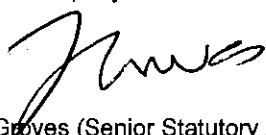
We obtained an understanding of the effectiveness of the entities control environment by testing of management override of controls, which includes but is not limited to; testing of journal entries, review of assumptions and judgements made in accounting estimate, and reviewing transactions occurring outside the normal scope of business.

The use of qualified and experienced staff members to ensure the audit team is comprised of only competent and capable members who are able to recognise and document any instances of non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Groves (Senior Statutory Auditor)  
for and on behalf of Bromhead  
Chartered Accountants  
Statutory Auditors  
Harscombe House  
1 Darklake View  
Plymouth  
Devon  
PL6 7TL

Date: 23/11/21

**Warren House Group At Dartington**

**Consolidated Statement of Financial Activities**  
**(Incorporating an Income and Expenditure Account)**  
**For The Year Ended 31 March 2021**


	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	20,102	-	20,102	8,293
<b>Charitable activities</b>	4				
Research and Development		1,250,053	193,580	1,443,633	1,485,329
Investment income	3	2,965	-	2,965	5,184
Other income		-	-	-	7,827
<b>Total</b>		<b>1,273,120</b>	<b>193,580</b>	<b>1,466,700</b>	<b>1,506,633</b>
 <b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	5				
Research and Development		976,494	292,387	1,268,881	1,423,879
 <b>NET INCOME/(EXPENDITURE)</b>		<b>296,626</b>	<b>(98,807)</b>	<b>197,819</b>	<b>82,754</b>
 <b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		724,463	250,740	975,203	892,449
 <b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>1,021,089</u></b>	<b><u>151,933</u></b>	<b><u>1,173,022</u></b>	<b><u>975,203</u></b>

**Consolidated and Charity Balance Sheet**  
**31 March 2021**

		<b>Group</b>	<b>Charity</b>	<b>Group</b>	<b>Charity</b>
		<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10	5,151	5,151	15,460	15,460
Investments	11	-	1	-	-
		<u>5,151</u>	<u>5,152</u>	<u>15,460</u>	<u>15,460</u>
<b>CURRENT ASSETS</b>					
Debtors	12	557,949	458,488	450,704	450,704
Investments	13	-	-	50,000	50,000
Cash at bank		<u>1,286,205</u>	<u>864,578</u>	<u>1,148,089</u>	<u>1,148,089</u>
		<u>1,844,154</u>	<u>1,323,066</u>	<u>1,648,793</u>	<u>1,648,793</u>
<b>CREDITORS</b>					
Amounts falling due within one year	14	(634,154)	(296,247)	(425,689)	(425,689)
		<u>1,210,000</u>	<u>1,026,819</u>	<u>1,223,104</u>	<u>1,223,104</u>
<b>NET CURRENT ASSETS</b>					
		<u>1,215,151</u>	<u>1,031,971</u>	<u>1,238,564</u>	<u>1,238,564</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<u>1,215,151</u>	<u>1,031,971</u>	<u>1,238,564</u>	<u>1,238,564</u>
<b>PROVISIONS FOR LIABILITIES</b>	16	(42,129)	(42,129)	(263,361)	(263,361)
		<u>1,173,022</u>	<u>989,842</u>	<u>975,203</u>	<u>975,203</u>
<b>NET ASSETS</b>					
		<u>1,173,022</u>	<u>989,842</u>	<u>975,203</u>	<u>975,203</u>
<b>FUNDS</b>					
Unrestricted funds		1,021,089	837,909	724,463	724,463
Restricted funds		151,933	151,933	250,740	250,740
<b>TOTAL FUNDS</b>		<u>1,173,022</u>	<u>989,842</u>	<u>975,203</u>	<u>975,203</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 20/10/2021 and were signed on its behalf by:

  
R M Dobson - Trustee

**Warren House Group At Dartlington**

**Consolidated Cash Flow Statement**  
**For The Year Ended 31 March 2021**

	Notes	31.3.21 £	31.3.20 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	20	<u>86,168</u>	<u>203,929</u>
Net cash (used in)/provided by operating activities		<u>86,168</u>	<u>203,929</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,017)	(8,245)
Investment loan		50,000	-
Interest received		<u>2,965</u>	<u>5,184</u>
Net cash provided by/(used in) investing activities		<u>51,948</u>	<u>(3,061)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>138,116</b>	<b>200,868</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b><u>1,148,089</u></b>	<b><u>947,221</u></b>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b><u>1,286,205</u></b>	<b><u>1,148,089</u></b>

The notes form part of these financial statements

## Warren House Group At Dartington

### Notes to the Financial Statements For The Year Ended 31 March 2021

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The charity constitutes a public benefit entity as defined by FRS 102.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. There are no material uncertainties affect the current years accounts.

##### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Service contracts are recognised based on the stage of completion, which is measured by the amount of staff hours put against that contract. Income from the provision of services is stated after trade discounts, other sales taxes and net of VAT.

Grants, donations and investment income are recognised when receivable. Where such amounts have terms or conditions which must be met for specific activities, the relevant income is not recognised in the year but deferred and shown on the balance sheet within current liabilities.

Legacies are accounted for as income either upon receipt or where the receipt of legacy is probable, can be reliably measured and all conditions attached to the legacy have been fulfilled.

##### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

##### **Charitable activities**

Charitable expenditure comprises of research, development and dissemination activity.

##### **Allocation and apportionment of costs**

Costs comprise direct expenditure including direct staff costs attributable to the activity. Staff costs are allocated in accordance to time spent on projects. Administration and management costs are allocated in the same way. Other costs are allocated in proportion to income generated by the activity.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory examinations and legal fees together with an apportionment of overhead and support costs. These costs are included within charitable activities when relevant.

##### **Tangible fixed assets**

Fixed assets are held at historic cost less accumulated depreciation.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	-20% on cost
Computer equipment	-33% on cost

##### **Taxation**

The charity is exempt from corporation tax on its charitable activities.

##### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.



**Warren House Group At Dartington**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 March 2021**

**1. ACCOUNTING POLICIES - continued**

**Fund accounting**

The charity has designated certain funds for specific purpose although there is no legal force for the designations.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Pension costs and other post-retirement benefits**

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102.

The trustees are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

The Charity participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Charity is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the charity therefore accounts for the scheme as if it were a wholly defined contribution scheme.

As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the charity recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

The charity's total liability under the recovery plan has been recognised in the accounts at its present value. Contributions towards this plan continue to be made on a monthly basis and the accounts will recognise the unwinding of the relevant discount provision.

**Financial instruments**

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Creditors and Provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount.

**Warren House Group At Dartington**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 March 2021**

**2. DONATIONS AND LEGACIES**

	31.3.21	31.3.20
	£	£
Donations	<u>20,102</u>	<u>8,293</u>

**3. INVESTMENT INCOME**

	31.3.21	31.3.20
	£	£
Deposit account interest	<u>2,965</u>	<u>5,184</u>

**4. INCOME FROM CHARITABLE ACTIVITIES**

	31.3.21	31.3.20
	£	£
Grants	<u>1,443,633</u>	<u>1,485,329</u>

Activity  
Research and Development

Included in grants received are the following amounts received from Government and other Public Authorities

	31.03.21	31.03.20
	£	£
Renfrewshire	74,000	140,000
FNP Adapt	-	115,441
Midlothian	25,000	15,000
Lab iWill - Big Lottery Fund	155,751	208,465
N Ayrshire	19,150	27,000
Oldham	5,000	90,000
S Lanarkshire	78,300	19,400
	<u>357,201</u>	<u>615,306</u>

**5. CHARITABLE ACTIVITIES COSTS**

	Direct Costs £	Support costs (see note 6) £	Totals £
Research and Development	<u>1,280,889</u>	<u>(12,008)</u>	<u>1,268,881</u>

**6. SUPPORT COSTS**

	Management £	Governance costs £	Totals £
Research and Development	<u>(28,645)</u>	<u>16,637</u>	<u>(12,008)</u>

**Warren House Group At Dartington**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 March 2021**

**6. SUPPORT COSTS - continued**

Support costs, included in the above, are as follows:

	31.3.21	31.3.20
	Research and Development £	Total activities £
Wages	84,341	92,637
Pension provision	(221,232)	(78,574)
Central overheads	28,257	30,148
Recruitment and training	9,658	40,455
Telephone	381	4,100
Postage and stationery	925	1,088
Publicity	67	551
Sundries	276	131
Professional fees	41,185	11,598
Subscriptions & membership	1,446	4,109
Equipment	2,782	5,365
Computer & IT	7,492	14,440
Travel	719	28,856
Events	3,732	11,879
Depreciation of tangible assets	11,326	18,172
Auditors' remuneration	6,270	3,160
Auditors' remuneration for non audit work	10,367	7,022
	<u>(12,008)</u>	<u>195,137</u>

**7. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	31.3.21	31.3.20
	£	£
Auditors' remuneration	6,270	3,160
Accounting	10,367	7,022
Depreciation - owned assets	<u>11,326</u>	<u>18,172</u>

**8. TRUSTEES' REMUNERATION AND BENEFITS**

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

**Trustees' expenses**

No trustees were reimbursed for expenses (2020: Four trustees £809). The expenses relate to travel and trustee meetings.

**9. STAFF COSTS**

The following staff costs were paid during the year:

	31.03.21	31.03.20
	£	£
Wages and salaries	633,384	634,733
Social security	64,415	61,707
Pension costs	<u>85,745</u>	<u>105,430</u>
	<u>783,544</u>	<u>801,870</u>

**Warren House Group At Dartington**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 March 2021**

**9. STAFF COSTS - continued**

The average monthly number of employees during the year was as follows:

<b>31.3.21</b>	<b>31.3.20</b>
<u><b>17</b></u>	<u><b>16</b></u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	<b>31.3.21</b>	<b>31.3.20</b>
£60,001 - £70,000	-	1
£70,001 - £80,000	1	1
£80,001 - £90,000	<u>1</u>	<u>-</u>
	<u><b>2</b></u>	<u><b>2</b></u>

**10. TANGIBLE FIXED ASSETS**

The Group

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 April 2020	5,263	76,552	81,815
Additions	<u>-</u>	<u>1,017</u>	<u>1,017</u>
At 31 March 2021	<u><b>5,263</b></u>	<u><b>77,569</b></u>	<u><b>82,832</b></u>
<b>DEPRECIATION</b>			
At 1 April 2020	2,486	63,869	66,355
Charge for year	<u>1,052</u>	<u>10,274</u>	<u>11,326</u>
At 31 March 2021	<u><b>3,538</b></u>	<u><b>74,143</b></u>	<u><b>77,681</b></u>
<b>NET BOOK VALUE</b>			
At 31 March 2021	<u><b>1,725</b></u>	<u><b>3,426</b></u>	<u><b>5,151</b></u>
At 31 March 2020	<u><b>2,777</b></u>	<u><b>12,683</b></u>	<u><b>15,460</b></u>

**11. FIXED ASSET INVESTMENTS**

The Charity

	Shares in group undertakings £
<b>MARKET VALUE</b>	
Additions	<u>1</u>
<b>NET BOOK VALUE</b>	
At 31 March 2021	<u><b>1</b></u>
At 31 March 2020	<u><b>-</b></u>

There were no investment assets outside the UK.

**Warren House Group At Dartlington**

**Notes to the Financial Statements - continued  
For The Year Ended 31 March 2021**

**12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	The Group		The Charity	
	31.03.21	31.03.20	31.03.21	31.03.20
	£	£	£	£
Trade debtors	461,117	341,051	121,212	341,051
Other debtors	4,000	-	18,147	-
Intercompany Loan	-	-	319,129	-
Prepayments and accrued income	92,832	109,653	-	109,653
	<b>557,949</b>	<b>450,704</b>	<b>458,488</b>	<b>450,704</b>

**13. CURRENT ASSET INVESTMENTS**

	31.3.21	31.3.20
	£	£
Loan to employee	<u>-</u>	<u>50,000</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	The Group		The Charity	
	31.03.21	31.03.20	31.03.21	31.03.20
	£	£	£	£
Trade creditors	253,120	97,356	124	97,356
VAT	129,486	78,639	66,458	78,639
Taxation and social security	17,573	17,034	1,560	17,034
Accruals and deferred income	220,000	198,551	220,000	198,551
Accrued expenses	13,975	34,109	8,105	34,109
	<b>634,154</b>	<b>425,689</b>	<b>296,247</b>	<b>425,689</b>

**15. LEASING AGREEMENTS**

The Group

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.21	31.3.20
	£	£
Within one year	17,240	18,752
Between one and five years	<u>17,240</u>	<u>34,480</u>
	<b><u>34,480</u></b>	<b><u>53,232</u></b>

**16. PROVISIONS FOR LIABILITIES**

The Group

	31.3.21	31.3.20
	£	£
Provisions	<u>42,129</u>	<u>263,361</u>

The employment pension scheme will incur major changes in the coming years due to the scheme entering a deficit. There is a recovery period ending in 31 March 2028 and a provision of £42,129 has been included. This has been derived from an average of current employment pension at the new rates and a discount rate of 1.05% has been applied based upon information obtained from the pension scheme provider USS. Covid-19 is expected to impact upon key assumptions in this pension deficit recovery provision, however as a multi-employer scheme, this cannot be reliably measured at this stage and therefore no adjustment has been made.

**Warren House Group At Dartlington**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 March 2021**

**17. MOVEMENT IN FUNDS**

The Group

	At 1.4.20 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
<b>Unrestricted funds</b>				
General fund	709,003	307,952	(1,018)	1,015,937
Fixed asset designated fund	<u>15,460</u>	<u>(11,326)</u>	<u>1,018</u>	<u>5,152</u>
	724,463	296,626	-	1,021,089
<b>Restricted funds</b>				
Big Lottery Fund	<u>250,740</u>	<u>(98,807)</u>	<u>-</u>	<u>151,933</u>
<b>TOTAL FUNDS</b>	<u>975,203</u>	<u>197,819</u>	<u>-</u>	<u>1,173,022</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,273,120	(965,168)	307,952
Fixed asset designated fund	-	<u>(11,326)</u>	<u>(11,326)</u>
	1,273,120	(976,494)	296,626
<b>Restricted funds</b>			
Big Lottery Fund	<u>193,580</u>	<u>(292,387)</u>	<u>(98,807)</u>
<b>TOTAL FUNDS</b>	<u>1,466,700</u>	<u>(1,268,881)</u>	<u>197,819</u>

**Comparatives for movement in funds**

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.20 £
<b>Unrestricted funds</b>				
General fund	679,112	38,135	(8,244)	709,003
Fixed asset designated fund	<u>25,387</u>	<u>(18,171)</u>	<u>8,244</u>	<u>15,460</u>
	704,499	19,964	-	724,463
<b>Restricted funds</b>				
Big Lottery Fund	<u>187,950</u>	<u>62,790</u>	<u>-</u>	<u>250,740</u>
<b>TOTAL FUNDS</b>	<u>892,449</u>	<u>82,754</u>	<u>-</u>	<u>975,203</u>

**Warren House Group At Dartington**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 March 2021**

**17. MOVEMENT IN FUNDS - continued**

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	1,230,885	(1,192,750)	38,135
Fixed asset designated fund	<u>1</u>	<u>(18,172)</u>	<u>(18,171)</u>
	1,230,886	(1,210,922)	19,964
<b>Restricted funds</b>			
Big Lottery Fund	<u>275,747</u>	<u>(212,957)</u>	<u>62,790</u>
<b>TOTAL FUNDS</b>	<u>1,506,633</u>	<u>(1,423,879)</u>	<u>82,754</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.4.19 £	Net movement in funds £	Transfers between funds £	At 31.3.21 £
<b>Unrestricted funds</b>				
General fund	679,112	346,087	(9,262)	1,015,937
Fixed asset designated fund	<u>25,387</u>	<u>(29,497)</u>	<u>9,262</u>	<u>5,152</u>
	704,499	316,590	-	1,021,089
<b>Restricted funds</b>				
Big Lottery Fund	<u>187,950</u>	<u>(36,017)</u>	<u>-</u>	<u>151,933</u>
<b>TOTAL FUNDS</b>	<u>892,449</u>	<u>280,573</u>	<u>-</u>	<u>1,173,022</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	2,504,005	(2,157,918)	346,087
Fixed asset designated fund	<u>1</u>	<u>(29,498)</u>	<u>(29,497)</u>
	2,504,006	(2,187,416)	316,590
<b>Restricted funds</b>			
Big Lottery Fund	<u>469,327</u>	<u>(505,344)</u>	<u>(36,017)</u>
<b>TOTAL FUNDS</b>	<u>2,973,333</u>	<u>(2,692,760)</u>	<u>280,573</u>

**Unrestricted funds**

The unrestricted funds consists of funds which the charity may use for its charitable purposes at its discretion.

**Designated funds**

The fixed asset fund represents the value of the charity's funds that are held in the form of tangible fixed assets net of any borrowings directly for the purpose of purchasing these fixed assets. They are held specifically to further the day to day activities of the charity and are expected to be held on a long term basis. As such they are therefore not freely available to spend.

**Restricted funds**

**Warren House Group At Darlington**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 March 2021**

**17. MOVEMENT IN FUNDS - continued**

The Big Lottery Fund is restricted funds. These funds are to be used to address poor emotional health and coercive relationships in Renfrewshire, by mapping the current system and identifying strategies to redirect resources to early action.

**18. EMPLOYEE BENEFIT OBLIGATIONS**

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete.

Since the group cannot identify its share of Retirement Income Builder (DB) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	<b>Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.</b>
Discount rate (forward rates)	<b>Years 1-10: CPI + 0.14% reducing linearly to CPI - 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21 +: CPI + 1.55%</b>

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	<b>2018 valuation</b> <b>Pre-retirement:</b> <b>71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females</b>  <b>Post retirement:</b> <b>97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females</b>
Future improvements to mortality	<b>CMI 2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females</b>

The current life expectancies on retirement at age 65 are:

	<b>2021 valuation</b>	<b>2020 valuation</b>
Males currently aged 65 (years)	<b>24.7</b>	<b>24.4</b>
Females currently aged 65 (years)	<b>26.1</b>	<b>25.9</b>
Males currently aged 45 (years)	<b>26.7</b>	<b>26.3</b>
Females currently aged 45 (years)	<b>27.9</b>	<b>27.7</b>

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions as at 31 March 2020 and 2021.

	<b>2021</b>	<b>2020</b>
Discount rate	<b>1.05%</b>	<b>2.59%</b>
Pensionable salary growth	<b>n/a</b>	<b>n/a</b>
Pension increases (CPI)	<b>7.45%</b>	<b>4.20%</b>

The charity's employer contributions to the scheme during the year was £67,385 (2020: £105,430).



**Warren House Group At Dartlington**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 March 2021**

**18. EMPLOYEE BENEFIT OBLIGATIONS - continued**

The charity has accounted for the present value of all remaining contributions to the deficit recover plan in these accounts at their present value of £42,129 based upon the information available from the scheme administrator. This liability will be adjusted annually to unwind the relevant discount applied.

**19. RELATED PARTY DISCLOSURES**

A loan of £50,000 had been made by the charity for to a member of key management. Interest is charged at 1.5% per year and paid by the employee in this respect. This loan has been fully repaid in the year.

**20. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	31.3.21 £	31.3.20 £
<b>Net income for the reporting period (as per the Statement of Financial Activities)</b>	<b>197,819</b>	<b>82,754</b>
<b>Adjustments for:</b>		
Depreciation charges	11,326	18,172
Interest received	(2,965)	(5,184)
(Decrease)/ increase in provisions	(221,232)	(78,574)
(Increase)/decrease in debtors	(107,245)	48,089
(Decrease)/increase in creditors	<u>208,465</u>	<u>138,672</u>
<b>Net cash (used in)/provided by operations</b>	<u><b>86,168</b></u>	<u><b>203,929</b></u>

**21.. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.20 £	Cash flow £	At 31.3.21 £
<b>Net cash</b>			
Cash at bank	<u>1,148,089</u>	<u>138,116</u>	<u>1,286,205</u>
	<u>1,148,089</u>	<u>138,116</u>	<u>1,286,205</u>
<b>Liquid resources</b>			
Deposits included in cash	-	-	-
Current asset investments	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>
	<u>50,000</u>	<u>(50,000)</u>	<u>-</u>
<b>Total</b>	<u><b>1,198,089</b></u>	<u><b>88,116</b></u>	<u><b>1,286,205</b></u>

**Warren House Group At Dartington**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 March 2021**

**22. INDIVIDUAL STATEMENT OF FINANCIAL ACTIVITIES**

The Charity

	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	20,102	-	20,102	8,293
<b>Charitable activities</b>	4				
Research and Development		479,389	193,580	672,969	1,485,329
Investment income	3	2,965	-	2,965	5,184
Other income		<u>114,911</u>	<u>-</u>	<u>114,911</u>	<u>7,827</u>
<b>Total</b>		<b>617,367</b>	<b>193,580</b>	<b>810,947</b>	<b>1,506,633</b>
 <b>EXPENDITURE ON</b>					
<b>Charitable activities</b>	5				
Research and Development		<u>503,920</u>	<u>292,387</u>	<u>796,307</u>	<u>1,423,879</u>
 <b>NET INCOME/(EXPENDITURE)</b>		<b>113,447</b>	<b>(98,807)</b>	<b>14,640</b>	<b>82,754</b>
 <b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>724,463</u>	<u>250,740</u>	<u>975,203</u>	<u>892,449</u>
 <b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>837,910</u></b>	<b><u>151,933</u></b>	<b><u>989,843</u></b>	<b><u>975,203</u></b>

**Warren House Group At Dartington**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 March 2021**

**23. GROUP STATEMENT OF FINANCIAL POSITION**

The Group

	Notes	Unrestricted funds £	Restricted funds £	31.3.21 Total funds £	31.3.20 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	10	<u>5,151</u>	<u>-</u>	<u>5,151</u>	<u>15,460</u>
		<b>5,151</b>	<b>-</b>	<b>5,151</b>	<b>15,460</b>
<b>CURRENT ASSETS</b>					
Debtors	12	557,949	-	557,949	450,704
Investments	13	-	-	-	50,000
Cash at bank		<u>914,272</u>	<u>371,933</u>	<u>1,286,205</u>	<u>1,148,089</u>
		<b>1,472,221</b>	<b>371,933</b>	<b>1,844,154</b>	<b>1,648,793</b>
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>(414,154)</u>	<u>(220,000)</u>	<u>(634,154)</u>	<u>(425,689)</u>
<b>NET CURRENT ASSETS</b>		<u><b>1,058,067</b></u>	<u><b>151,933</b></u>	<u><b>1,210,000</b></u>	<u><b>1,223,104</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,063,218</b>	<b>151,933</b>	<b>1,215,151</b>	<b>1,238,564</b>
<b>PROVISIONS FOR LIABILITIES</b>	16	<u>(42,129)</u>	<u>-</u>	<u>(42,129)</u>	<u>(263,361)</u>
<b>NET ASSETS</b>		<u><b>1,021,089</b></u>	<u><b>151,933</b></u>	<u><b>1,173,022</b></u>	<u><b>975,203</b></u>
<b>FUNDS</b>	17				
Unrestricted funds				<b>1,021,089</b>	724,463
Restricted funds				<u><b>151,933</b></u>	<u>250,740</u>
<b>TOTAL FUNDS</b>				<b>1,173,022</b>	<b>975,203</b>

**Warren House Group At Dartington**

**Notes to the Financial Statements - continued**  
**For The Year Ended 31 March 2021**

**24. SUBSIDIARY TRADING ACTIVITIES**

The charity owns 100% of the company, Dartington Service Design Lab Limited 12613600 whose registered office is Lower Ground Floor, Higher Mills, Buckfast Abbey, Buckfastleigh, Devon, TQ11 0EE which operates a number of commercial ventures on behalf of the charity. The subsidiary donates its taxable profits to the charity each year by gift aid. Dartington Service Design Lab Limited is included in these consolidated accounts. Its trading results for the year extracted from the financial statements are summarised below:

	31.03.21
	£
Turnover	1,046,345
Administration	<u>(863,166)</u>
Operating profit	183,179
Net profit before taxation	<u>183,179</u>
Retained loss/profit	<u>183,179</u>

**25. ASSETS AND LIABILITIES OF THE SUBSIDIARY**

	31.03.21
	£
<b>Current assets</b>	
Debtors	432,737
Cash at bank	421,627
	<u>854,364</u>
<b>Creditors falling due within one year</b>	
Trade creditors	269,011
Amounts owed to group undertakings	319,129
Taxation and social security	63,028
Other creditors	20,016
	<u>671,184</u>
<b>Net assets</b>	183,180
<b>Represented by:</b>	
Called up share capital	1
Retained earnings	<u>183,179</u>
Capital and Reserves	<u>183,180</u>